



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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BOE Notifies California Retailers of Upcoming Visits Letters Mailed to Businesses Located in Select Zip Code Areas

Sacramento – Retailers throughout the state are receiving letters from the California State Board of Equalization (BOE) notifying them about upcoming visits from Statewide Compliance and Outreach Program (SCOP) teams. The visits are intended to educate retailers about properly reporting sales and use tax, increase compliance with tax laws, and maintain outreach to encourage voluntary compliance.

The BOE is mailing letters to 10,979 business owners in the following zip codes: San Francisco (94123), San Rafael (94903), San Mateo (94401), San Jose (95135, 95138), Goleta (93117), Burbank (91505, 91506), Grand Terrace (92313), Guadalupe (93434), Los Olivos (93441), Los Alamos (93440), Solvang (93463, 93464), Buelton (93427), Escondido (92025), Calexico (92231).

Seven different SCOP teams located statewide (Oakland, Sacramento, San Jose, Van Nuys, Norwalk, Irvine, and Riverside) conduct door-to-door, in-person visits in the zip code areas they cover. Businesses found to be operating without a seller's permit are provided instructions on how to register with the BOE, as well as information about other necessary licenses.

Since 2008, SCOP has visited 436,307 businesses statewide to verify retailers are registered, and to ensure noncompliant businesses do not have an unfair advantage over registered businesses that are reporting their sales and use taxes and/or fees to BOE.

The BOE has found that more than 98 percent of the California businesses are operating with the correct permits. However, noncompliance contributes to more than \$2 billion in uncollected sales and use taxes that make up part of the state's "tax gap" – the difference between the amount of taxes owed and the amount paid, negatively impacting all state taxpayers.

This may include individuals and businesses engaging in illegal activities in our state's underground economy. California's underground economy deprives the state of an estimated \$8.5 billion in state sales, use, and income taxes annually through a spectrum of illegal activities, including the sales of counterfeit goods like "knock off" designer items, offering and paying for services under the table, the exploitation of victims of human trafficking and smuggling goods into California without paying the required taxes.

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If business owners have any questions about these upcoming visits, they may contact their local BOE SCOP Team or visit the BOE's SCOP Web page at http://www.boe.ca.gov/sutax/SCOP_Overview.htm.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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